

Bedford Hills, New York
December 4, 2012

A public hearing to consider the preliminary 2013 Budget was held by the Town Board of the Town of Bedford on December 4, 2012 at the Town Offices, 321 Bedford Road, Bedford Hills, New York. The meeting was called to order at 7:20 P.M. by Supervisor Roberts.

Present:	Lee V. A. Roberts	: Supervisor
	Peter Chryssos	: Councilman
	Francis Corcoran	: Councilman
	Chris Burdick	: Councilman
	David Gabrielson	: Councilman
	Lisbeth Fumagalli	: Town Clerk
	Joel H. Sachs	: Town Attorney
	William Heidepriem	: Supt. of Recreation and Parks
	Amy Pectol	: Receiver of Taxes
	Harry Girdlestone	: Assessor
	Edward Ritter	: Comptroller
	Kevin Winn	: Commissioner of Public Works
	William Hayes	: Chief of Police
	Joan Gallagher	: Director of Personnel
	Jeffrey Osterman	: Town Planner

and approximately sixteen (16) resident/observers.

Proof of Publication was presented and ordered filed. The public notice was published in the Bedford Pound Ridge Record Review on November 16, 2012.

Mrs. Roberts read the following statement:

“Municipal budgets continue to be constricted by the 2% New York State cap on the levy on one hand and rising expenses driven largely by New York State’s demand for increases in the employer pension contribution on the other. These increases coupled with the MTA tax and punitive work rules together with increases in health care premium and capital and contractual obligations are a nearly insurmountable fiscal hill. Unfortunately, there is no compromise position with the State of New York because the 2% cap is mandated as are the increases in pension contributions. We are generally forced to override the cap or face unacceptable reductions in service.

What we have is a one sided playing field where mandates are passed down to the municipalities (and school districts and counties) and money flows up to Albany. There is no discussion or reasoning but rather a tin ear is turned to our pleas.

While the governor and legislature wrap themselves in a blanket of fiscal conservatism, the truth is that it is achieved on the backs of local governments that arguably deliver the most cost effective and efficient service to our constituency. The predictable result is cuts in local service, job loss and eventual municipal bankruptcies. Until the electorate focuses its attention on the root cause of our fiscal woes, there will be no political impetus to change Albany’s tactics. We are in a financial strait jacket.

When the Town Board first started our 2013 budget deliberations, we faced the prospect of \$1.3 million in increased expense over our 2012 budget. Under the 2% tax cap on the levy the most we could raise was slightly over \$500,000. A large portion, just over \$300,000, stemmed from increases in the pension contribution. Couple that with an anticipated \$335,000 increase in healthcare premium and an almost \$300,000 increase in debt service and we see the genesis of our struggle. We also had modest contractual increases for our white collar workers as well as department heads and most elected officials.

Another complication was the pending referendum on the Open Space tax. During our last year’s budget discussion the existing 3% dedicated tax for open space acquisition came under

fire as too costly in a time of financial distress. The Town Board voted to suspend the tax for one year, reduce it to 1% and take that sum out of fund balance. We also agreed to put the question to the voters to see if the residents of Bedford continued to support this dedicated fund. The answer was a resounding YES! By almost two to one, the voters saw the importance of this initiative and agreed with the Town Board that it provided an important protection for our water and natural resources. The 1% tax raises approximately \$179,000 annually and the money has been transfer to its own reserve fund with a dedicated revenue and expense line.

Since the 2% tax cap is on the sum of all funds that make up the levy, the Open Space tax was also part of our total expense. The Town Board felt that if we could stay within the 2% cap and exceed it only by the amount of the open space levy, we would have accomplished our goal as we had electorate approval for the Open Space tax. We also had the hope of avoiding layoffs and the accompanying reduction in service.

While we have discussed voting to exceed the 2% cap, in this case it was largely a signal to Albany that we are a home rule state. After at least seven budget work sessions this fall, we have been able to whittle our expenses to a point just under the cap. The Bedford Central School District has agreed that the Student Resource Officer salary when working at the school district is most appropriately bourn by that budget. That saved the Town \$75,000.

We are anticipating that up to six police officers will retire from the force by the close of 2012 and it is likely that several of the replacements will be new recruits who will command a lower salary. This allowed us to anticipate a modest \$50,000 in savings. In all likelihood by the time all of these positions are filled, the savings could be even greater.

The final piece of our financial puzzle was the health care premium. We started with NYSHIP indicating that the increase would be 13%. In recent weeks they have signaled that the premium would rise between 8% and 10%. Yesterday, we finally received word that the increase will, in fact, be 8%.

The Town Board begins its budget discussion by meeting with each of our department heads. Our directive was to come in with a flat budget and a menu of possible reductions for us to consider. We knew that all of these suggestions would be painful because we have been reducing department budgets for close to five years. Some of the departments have nothing left to cut besides their salary and phones. Others like DPW, Police and Recreation and Parks have more options.

While we decided to raise the cost of some programs under Parks and Recreation, we also decided that it would not be fair to also reduce hours or service at the same time. Because of the nature of the police department as a 24hour, seven day a week operation, most of the expenditure is in personnel. We've already heard about a number of pending retirements this year and the small saving that might result, but we also face increased overtime as a result.

In DPW we looked at leaf removal in the hamlets and changing the ordinance to have residents responsible for snow removal on the sidewalks in front of their homes as is the case in many municipalities. We decided that these options needed further study and discussion with the community. We are working with B2020 on a variety of programs such as mulching leaves in place and composting. In the coming year, we intend to study single stream recycling as well as contract carting in order to save money for our residents and move toward our goal of a reduced waste stream.

This year the white collar workers as well as the Department heads and elected officials will increase their contribution toward healthcare premium to 15%. Unfortunately, we have gone without a contract with the Blue Collar Teamsters since December, 2011 and the Police contract expires at the end of this year. We look forward to coming to a successful conclusion with both of these unions.

The Town has been able to husband our fund balance to the point that we felt confident that it was healthy enough to use \$325,000 to mitigate some of our additional expenses. I am always leery of using our reserves as it becomes a habit going forward and one that is difficult to break.

We are fortunate to have \$2,500,000 in fund balance despite having to completely rebuild our 425 Cherry St. elevator. The Town Board decided that this unexpected but necessary expense of \$100,000 should be taken out of fund balance. As I mentioned earlier, we also agreed for one year to take the 1% Open Space expense of \$174,000 out of fund balance.

Our auditors recommend that reserve balance be kept at between 8%-10% of our total budget. This figure is also important to demonstrate to the raters that we are worthy of our AAA bond rating as well as being able to absorb unexpected expense.

On the revenue side, we have come to the realization that our income from Mortgage Transfer tax will never return to the levels we once saw. We continue to come in slightly over our projection of \$850,000. We see the County sales tax rebounding somewhat and we anticipate that next year will show some modest gains to \$2,400,000. On the other hand our interest income remains almost non-existent compared to the revenue we used to receive. We hope to maximize our parking revenues with the imminent installation of our new automated machines.

As in years past we sat down with the leadership of our three hamlet libraries to discuss their budgets and to come to terms with their annual allocation. We understand that they are feeling the same pressures as the Town with higher pension and health care costs and other budgetary increases. Our message was that we appreciate your tremendous service to our community and we know that you are the heart of our hamlets but we are forced to keep you allocation at the same level as last year, \$1,254,662.

The Board appreciates the libraries' willingness to work with us and we hope the community will support their fundraising efforts.

The 2013 Budget projects a total of \$19,170,234 in expenditures in the General Fund and \$7,282,543 in the Highway budget and a total of \$177,640 in the Open Space Fund for a total of \$26,880,503. Our anticipated revenue is \$7,626,650 in the General Fund and \$487,134 in the Highway Fund. This results in a \$.12 per thousand of assessed valuation decrease in the General Fund and a \$.62 per thousand increase in the Highway Fund and a \$.31 per thousand increase in the Open Space Fund for a combined 2.66% increase. For the average home assessed at \$65,000, this amounts to a \$52.25 annual tax increase.

The DPW Department has faced some daunting challenges in the past year and a half. Last year Hurricane Irene and the October snow storm decimated the Town. This fall it was Hurricane Sandy. The Town made a deliberate decision to pick up storm debris from our roadways. This was a prodigious effort that was barely completed before Sandy struck. To some extent we were saved by the fact that there was little snow last year and we did not incur the expense of plowing.

We are hopeful for another mild winter but it does not look promising. The Town will continue to pick up debris from Sandy and anticipate that the cost of the cleanup will be borne by FEMA. The destruction was widespread and catastrophic with many large trees uprooted or broken in half and damage to more than 60 homes. We appreciate your patience as we complete the long process of debris removal.

Our new Water Filtration Plan was also delayed by the storm with power outages that stretched to over ten days and delayed the final stages of installation. We now project that the plant will come on line sometime in January. A period of testing must take place before the plant can be opened. Our employees continued to be trained at the new facility and we look forward to having the public tour the plant once it is fully operational.

The Town of Bedford is in sound financial shape but each year presents an even greater challenge to work within the confines of the cap and still maintain the services that our taxpayers expect. We are proud of the Town workforce and their high level of commitment to doing the best job possible for the residents of this community. Our Department Heads are second to none and I feel fortunate to work with each of them. The Town Board is gratified by their professionalism in the face of fewer resources and greater demand for service. They have demonstrated creativity and flexibility in managing their departments with declining revenues.

Our thanks go to Ed Ritter, our controller, for his patience and hard work during the many budget sessions and requests for information. Each year the process becomes more difficult as we realize that unless help comes from Albany in the form of mandate relief, we are not going to

be able to sustain the local services that we expect. We want to work with our State representatives to achieve lasting solutions; solutions that are fair to our local taxpayers who are currently forced to bear a disproportionate share of the burden. After all, New York is a home rule state, it is only right that we should determine where our local taxes are spent. I urge each of you to learn the facts and get involved. Not only your tax dollars but the way we function as a community is at stake.”

Mrs. Roberts noted that the Town is under the 2% property tax cap by \$46,000.00

Mr. Ritter reviewed the 2013 Budget, advising there is 2.66% budget to budget increase.

Mrs. Roberts opened the floor to public comment.

Van Kozelka, Director of the Katonah Village Library expressed her relief and gratitude for a flat budget.

On a motion by Mrs. Roberts, seconded by Mr. Corcoran, the following resolution was ADOPTED

Ayes: Roberts, Chryssos, Corcoran, Gabrielson, Burdick

Nays: None

Absent: None

RESOLVED that the Town Board does hereby adopt the Town of Bedford 2013 budget as amended, with a lower than anticipated cost for health insurance and a tax increase of 2.66%.

There being no further discussion the hearing was adjourned at 7:52pm.

Lisbeth Fumagalli, Town Clerk